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Work motivation through a balanced scorecard approach - motivational leadership for the 21st century

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työmotivaation Balanced Scorecard malli - motivaatiojohtamista 2000-luvulle

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Opinnäytetyön tavoitteena oli tutkia työmotivaatiota ja sen yhdistämistä olemassa olevaan Balance Scorecard johtamistyökaluihin. Tutkimuksessa selvitettiin olemassa olevia työmotivaatioteorioita, niitä tukevia tutkimustuloksia ja niiden yhtäläisyyksiä keskenään. Tarkoituksena oli luoda Balance Scorecard -malliin pohjautuva työkalu työmotivaation kehittämiseen ja tarkasteluun.

Työssä tutkittiin johtamisen ja johtajuuden suhdetta työmotivaation, työmotivaation eri osa-alueita, kuten aineellista ja aineetonta palkitsemista, sekä niiden vaikutusta pitkän ja lyhyen aikavälin tuloksiin. Työ käsittelee myös palkitsemismenetelmien käytön tarkempia suosituksia, sekä palkitsemismenetelmien keskinäissidoksia.

Työssä on käytetty työkaluna motivaatioteorioiden käsittelyyn perusta-analyysia, jonka avulla on mahdollistettu niiden keskeisten elementtien ja attribuuttien tutkimista. Analyysin perusteella motivaatioteorioiden keskeisiä elementtejä ja attribuutteja on pystytty yhdistämään ja muokkaan Balanced Scorecard -malliin. Tuloksena on Motivation Scorecard jota voidaan hyödyntää organisaation aineettoman palkitsemisen käytön vahvistamiseen ja motivaatiojohtamisen onnistumiseen organisaatiossa.

Motivation Scorecard malli ja sen mahdollistamiseksi tehty perusta-analyysi osoittavat, että työmotivaation kehittämiseksi aineettoman palkitsemisen kehittäminen on tärkeä osa työmotivaation kehittämistä työpaikalla. Motivation Scorecard -malli vastaa hyvin nykyajan motivaatiojohtamisen tarpeisiin.

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Work motivation through a balanced scorecard approach - motivational leadership for the 21st century

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The objectives of this work was to research work motivation, its theoretical frameworks and concepts, the empirical research and how it can be applied to a balanced scorecard framework.

The research looked at relationship of both management and leadership in regards to work motivation, the different perspectives of work motivation such as monetary and nonmonetary incentives and their short and long term effects on goals, the interlinked nature of the perspectives and their correct application.

As a tool the foundational analysis of motivation theory was used to assess the different attributes in the theoretical concepts to enable them to be applied in to the framework of the balanced scorecard. The resulting motivation scorecard can be used to introduce new alternative working environments and strengthen the use of intrinsic motivation through a management approach via the motivation scorecard.

The motivation balance scorecard model and the foundational analysis that has enabled it show that to improve work motivation and engagement nonmonetary incentives and intrinsic motivation is important and can be beneficial to modern day management needs.

Key words: motivation, work motivation, leadership, organization, balanced scorecard

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1 Introduction

Work motivation is something that is crucial to productivity and results, but many take work motivation as granted when working in managing positions. Getting paid should be enough. Or should it? What do we actually know about motivation – it's sometimes a brief topic in leadership and management training, but how many of us have an understanding for what science knows about what motivates us? Does business know?

The research on motivation has been extensive during the past hundred years, but it does not mean that we have adopted it at the pace that we've gained knowledge about it. It is safe to say that as Dan Pink (2009) says: "There is a mismatch between what science says and business does." The assumptions about motivating people have been mixed with the empirical evidence about motivation and its relation to work motivation. The carrot and stick approach has been the most popular, but does it prove according to empirical evidence that rewarding and punishing is a sound management process?

While we are in an age of the broadband internet, social media, mobile devices thousands of times more powerful than the computers twenty years ago, many of our management routines and habits date back to the 1800's and the industrial revolution and the age of the first factory workers, the blue-collar society. Since the start of the 1900's then society has changed. We now have another layer on top of the agrarian and industrial society; we have a knowledge society. The knowledge worker has emerged and is now the most valued employee in business. Agrarian workers are now in many cases replaced by machinery and the industrial worker is either being replaced by automated robots or by people in developing countries because they can perform the same repetitive task for less money. In today's world it is the knowledge worker who reigns supreme. It is this class of the society that also will affect the way in which we manage and motivate the workforce, as in the developed work the knowledge worker will be the biggest single group in society. (Drucker, 2007, 231)

The tools of tomorrow are used with methods of the past generations and there is a mismatch, the evolution of man has been slower than the evolution of IT and innovation. The adoption to new circumstance is now crucial, not only adapting to new tools, but adapting our way of management and organizations taking full advantage of their possibilities.

We in Finland face the dilemma of reacting to this change as we are among the developing world and a frontrunner in building the knowledge society. With a World known educational system, a Scandinavian welfare state and a passion and workforce built on engineering and research and development our needs to adapt to the changes are here today. The new power house economies of China, India and Indonesia are taking massive steps to create a knowledge

society and to stay ahead of the race we must take on the challenge of making our organizations work more effectively and productively to stay in the race.

2 Foundational Analysis

As a starting point the goals to making a foundational analysis in a University of Applied Sciences thesis is a not in all cases relevant and this is why the decision to do so should be explained. It is the basic elements and intuitions of scientific thinking that are considered under rational scrutiny that is called a foundational analysis (Saariluoma 1997). As in the end all theories relate to some beliefs and intuitions that are hidden. (Tautila, 2004) It is the holistic view of a studied phenomenon that is attainable with a foundational analysis that is of great benefit to the understanding and formulation of a conceptual tool for work motivation that is important to the choice of the uncommon methodology in Bachelor's Degree thesis. It is a tool maybe left many times unused, but when needed solid a choice. (Saariluoma 1997).

By using the foundational analysis we take a step back from the empirical evidence and organizational theory by acknowledging the fact that most empirical evidence of theory is based on researching the theories themselves. Theories are conceptual models and need to be tested in empirical studies and in motivation there has been plenty of work done empirically in the field to test the concepts of work motivation, but by using foundational analysis we can look at a wider spectrum of motivation theory and break it in to the key elements of the conceptual models and the supporting evidence to the concepts attributes. How we can achieve it is to first research and present the field of work motivation concepts and their supporting empirical evidence and to be able to understand the attributes that create motivation, how they are organized, understanding the definition of work motivation and understand the use of concept of work motivation in different contexts. Then by understanding the attributes we can assemble them in to a logical classification to create a new model for their implementation and research.

We learn to devour, digest and take advantage of the frameworks set by theory in empirical projects. This is what most of the thesis's are made of at bachelor level degrees. What is different in this case is the context of motivation. Its research and theories are derived from various sources: organizational theory, social psychology and occupational psychology. This means that the starting points of different theories are in many theories much different, but what is in many cases similar are the derived results and the questions the theories seek to address. The most common question is what motivates us to achieve or best to be at the top of our game.

This is why the analysis of motivational theories is relevant. It is a tool to achieve deeper understanding to not what is the concepts point of view or differentiating factors between them, but what is in common and what is the theoretical and philosophical common ground within the research and theory in modern motivational theories. This then serves as the basis on which the empirically applicable tool can be based upon – the common denominators of motivational theories attributes and research across the board from organizational to psychological theories.

3 Organization

Organizations have formed since the dawn of day when the first camp fire or cave was occupied by more than one hunter gather ancestor of ours. When the first hunting party went out for food or when the first stories afterward were told about that hunt to share the information to others. Since that time the essence of an organizations existence has always been to make people productive together. (Drucker, 2001, 55)

“Organizations are social units constructed by people and held together by a shared representation system (Kamppinen & Ruohonen, 2001) in order to reach definite goals (Etzioni 1964, Parsons 1960). Understanding organizations is vital, because so much in our lives depends on organizations (Handy 1999).”
(Taatila, 2004, 11)

At work the organizations are several from the corporate structure to the teams that we work in. In modern day business organizations the art of organizing work, people and resources have become a critical skill to achieve the goals and objectives of a company. We have universities, universities of applied sciences and colleges that offer degree programs that have a goal educating people in organizational and other business management skills. It has become a skill just as working sheet metal or cutting hair. The business executive’s skills are more in the intangible than in the tangible, working with people, an organization. The evolution of work in to the point where the manager is not chosen from in the ranks of the workers is something changed the way in which we manage as well.

In today’s companies the situation is that business managers in many cases have not done the job that the people they manage do. This means that they are not experts of the work itself, but educated in managing the organization, the people doing it. The organization of work also affects the people working and how they feel about their work. Organizational skills are not only about organizational charts or flowcharts, but the improvement of the individuals work within an organization; to enable everyone to achieve their best.

3.1 Organizational Theory

We've always been fascinated by the way organizations, team and groups of people achieve their best. From Sun Tzu to Napoleon and from the Greek philosophers to great business minds of the 21st century the goal has been to achieve organizational excellence and have individuals whom achieve and retain a drive for excellence. "The study of organizations is no new phenomenon. Confucius was an expert, so were the Greeks and all civilizations that discovered how to organize large numbers of people fruitfully." (Handy, 1976, 20)

As the it has always been about people and many cases large numbers of them such as the Roman army which had almost half a million people at one time serving under it. Since this time and the emergence of the large organizations there has been a need to define the organizations to manage them. Business, government civil service, the army - all needs as seeing them as organizations is for the sake of their management. "Management is the specific and distinguished organ of any and all organizations." (Drucker, 2001, 54)

Organizational strategies can be found throughout history, but is the modern post industrial revolution world that we live in and which is the core of this work. The post industrial revolution time is also a time of many challenges for organizational theory as the world has gone through a technology revolution and globalization that has changed the environment of management even more profoundly than most would think. The 20th century has been full of changes.

"No century in human history has experienced so many social transformations and such radical ones as the twentieth century. They, I submit, will turn out to be the most significant events of this century, and its long lasting legacy. In the developed free-market countries - only one-fifth of the earth's population, but the model for the rest - work and workforce, society and policy, are all, in the last decade of the century, qualitatively and quantitatively different both from those of human history: different in their configuration, in their process, in their problems, and in their structure." (Drucker, 2007, 227)

We have in the last 150 years or so transformed from an agrarian society to an industrial society to a knowledge society, an evolution of work and needs for organizational adaptation to change that has been extremely turbulent. The pace of change can be illustrated by the fact in 1995 only five percent of the workforces are farmers, only one-tenth of what it was 80 years ago. By 1950 in the United States two-fifths of the workforce were blue collar workers, workers in the manufacturing industry, but by the 1990's they were only one-fifth of the workforce as another worker emerged in to the workforce: the knowledge worker. The knowledge worker was a new piece to the puzzle and needed formal education and the ability to

acquire and apply theoretical and analytical knowledge. The knowledge worker will not be the majority of the society, but in developed countries they largest single group in the workforce. Even when outnumbered by other groups the knowledge worker will be the leading class in the society. The knowledge worker will also be the ones that will create new needs for organizational skills and thus motivational leadership. It is the knowledge workers that will also be needed in the workforce of the developed countries as 70 percent of the new jobs created are heuristic work. Heuristic work is where there is no algorithmic solution to the task. It needs the skills to experiment with possibilities and devise a novel solution. (Drucker, 2007, 228-233; Pink, 2009, 29-30)

To start understanding the way in which the changes have influenced organizational thinking and how it has evolved between the late 1800's and now we must start at the time when the steam engine revolutionized the way in which we would work.

In the start of the modern organizational theories emphasis of seeing people as parts of a machine increased and many of the organizational language is borrowed from engineering as not only people but their tasks and their work were seen and describe with terms used to describe electrical engineering. (Handy, 1976, 20)

Handy describes the seven schools of thought as:

- Scientific Management, building of F.W.Taylor's work in the 1880s. In a sense the theory produced very commonsense guides for organizations such as planning ahead, counting things and their movement, the allocation of tasks and responsibilities, limits to the span of control and review of results. Taylor did leave people out of the equation.
- Human relations. In the 1930s a businessman called Chester Barnard was the first with the insight that organizations were not made of machines, but real people. After this the Hawthorne studies, showed that informal groups and hearts and minds of people had effect. Though some of the Hawthorne plants studies results have been criticized for their relevance as scientific data, their effect on the organizational theories and management is important.
- Bureaucratic, the work of Max Weber in 1910 in Germany took its time get to the world, but the name bureaucracy that in today's language is seen as the root of evil has gotten a bad reputation. The ideas of organizational positions, what our job is and who make what decisions and what are the rules are. The name Bureaucracy might be too hard to bear, but the theory's teachings are more important than ever.

- Power conflict and decisions, in 1950s Phil Selznick looked at organizations and noticed that organizations were not as logical as they seemed, even the democratic ones. The difference in power, goals between parts of the organizations could not be explained by their structure. The studies showed that decisions were different ways than should have been made. The suggestion was to look at how organizations communicate with itself, its language.
- Technology, a theory based on the work of Woodward, Burns and Stalker and Lawrence and Losch in Britain. It pointed that technology used in work made a big difference in the organizational theory you used. While routine and mechanic tasks needed a lot of bureaucracy, the one-off or organic work needed more temporary and delegated responsibility. Also the environment of the organization was pointed out as a factor as stable environments needed bureaucratic organizations, while fast-changing environments needed organizations that could move quickly and be flexible to meet the needs of the environment.
- Systems. Open systems was the term used to define the organization as they were seen to be a systems in which everything and everything affects everything else. Resources were put in and transformed in to something of value. Nothing about an organization could be understood of on its own.
- Institutional. A theory that was put together by sociologists and anthropologists to look at the organizations as unique one-offs. Each organization had a "culture" and its history, environment, goals and ways of doing things were unique. Organizations were not naturally co-operative, they needed bureaucracy, but logic did not always prevail as the way things were seen different from person to person. The environment and technology dictated some of the things, even if they were not for the best of an organization. It implied that each organizations way of working was its own and that there was no best way of everyone. (Handy, 1976, 20-23)

During the years the balance has shifted toward the more human centered approaches to organizations, as Handy (1976) puts it "Organizations are to me, first and foremost a fascinating collections of people. The challenge is to make them productive and useful communities." The reoccurring assumption has been that there is, or there must be one right organization. But what has been presented as the one right organization has changed more than once and the search for the one right organization continues. "But by now, however, it should have become clear that there is no such thing as the one right organization." (Drucker, 2001, 54-55).

There are situations, limitations and specific applications to organizational theories. Organizational theories fit certain conditions and certain times. They are tools to make people work and be productive. (Drucker, 2001, 55)

One of the ways in which most of the organizational theories aim to achieve success is to in one way or another trying to affect human motivation. From a Tayloristic carrot and stick approach of changing people's behavior by rewarding wanted action and punishing unwanted action to understanding human's own intrinsic values and needs. Carrot and stick theories were more popular in the late 1800's and early 1900's, but as the world has changed so have views on affecting people's motivation. The rise of equity, better health care and education has made most western world's working class rise above the first levels of Maslow's need hierarchy making concentrating on the intangible values more important. In the end there is no short answer to the challenges faced in organizations managing people. As Handy (1973) says: "...no general formula can be guaranteed to work, but understanding the process will help to explain some of the problems and difficulties of people at work"

The latest evolutionary steps in organizational theory have been derived in the age of cell phones, email, laptops and social media. The affects of the information and internet revolution and the rise of the knowledge society have changed many things including organizational theories. The latest methods from Mihály Csíkszentmihályi's Flow and freedom centric thinkers such as Semco's Ricardo Semler, Daniel H. Pink, CultureRX's Cali Thomson and Jody Ressler center their theory's and thoughts into reaching what Herzberg describes as the intrinsic motivation of people; the will to achieve greatness out of their own internal rewards such as the feeling of progress, not for rewards.

The evolution in management has seen the employee go from subordinate to a partner, an equal. One of the reasons as Drucker (1999) explains it is that in today's world many times the manager has not held the position of the worker as was the case just some decades before. In today's world Managers are hired for their skills to manage - not rising through ranks as before. In the 21st century in management of organizations it is a job of persuading people; making it more of a marketing job than anything else.

We have come to a point where the tables are turned from asking "what do we want?" to "What does the other party want?" Could it be that we will have to redefine the task itself? Should we aim to make each individual as productive as possible according to his specific strengths and knowledge? Motivate?
(Drucker, 1999, 17-22)

4 Motivation

As Steers, Mowday and Shapiro (2004) point out the term motivation is derived from the *mo-vere*, which is Latin for movement. What moves and how it happens is something that has been a source of inspiration for scholars since the day of Aristotle. The dictionary describes it as a transitive verb, meaning it should in all reason have a subject and an object. We as humans should be motivated by X and X should then motivate us, but is it really so simple and is motivation something primal or has it evolved as we stood up some million years ago? The great dividing question has since been that can we actually motivate people or create circumstances where they feel motivated. (Latham, 2007; Handy, 1976)

Some proof for motivations existence within us a preset comes from the study of our closest primate relative, monkeys. Professor Harlow's tests in one of the world's first laboratories studying primate behavior at the Wisconsin University during the 1940's had an effect on the research on motivation. In 1949 Harlow's team conducted a puzzle test on monkeys. The monkeys were given a simple wooden puzzle two weeks before the tests would start so they could get adjusted to it. What followed has given great food for thought: the monkeys, without being taught, without reward, affection or attention started to solve the puzzle. The monkeys seemed to enjoy it. By the time Harlow did his test to see how good the monkeys were at solving the puzzle the monkeys were quite adept. The reason why it is substantial is the fact that it was something that we did not expect to happen as motivational theories only had two main drives: reward and punishment; both extrinsic. Harlow (1950) wrote "The behavior obtained in the investigation poses some interesting questions for motivation theory, since significant learning was attained and efficient performance maintained without resort to special or extrinsic incentives." (Pink 2009, 1-3)

We have been able to witness the birth of such things as Wikipedia, a crowd sourced free encyclopedia that have put to shame corporate attempts at creating online encyclopedias. What is amazing is that the information in Wikipedia is created by the users themselves without pay. The reward of the work has been nothing but to share knowledge with other, not through a monetary or ego driven incentive. No names are attached to articles of the author. In 264 languages the movement has made it a case study of the motivation. What does drive people to achieve without reward of any kind except the work itself?

As over sixty years have passed from those tests by Professor Harlow we would think that we would be somewhat more informed of the mechanics of motivation and its origins, but still today the Tayloristic methods of carrot and stick are predominant in the workplace. Bonus systems are a part of many organizations schemes to motivate people and mostly monetary incentives are offered. Is this the effective way of motivation in the long term? As more and

more work is heuristic and tasks many times do not have a simple goal are t Motivation seems to derive not only from a bag of cash, but also from within people and it is this question I aim to clarify in my thesis - whether the carrot should be planted and the stick put in the ground for support.

4.1 Work Motivation

Work motivation can be presented as a formula such as N.R.F.Maier's (1955) $\text{performance} = \text{ability} \times \text{motivation}$. This equation is short, but powerful enough for us to understand the significance of the topic to modern day organizations. Motivation has also become one of the cornerstones in the field of human resource management, Industrial and organizational psychology, and organizational behavior.

Organizations put time, money and resources into training, but many times are a hit by the problem of getting the results. According to Martin and Schmidt (2010) one in three high-potential employees admits to not putting full effort in to their job. But are we obligated to do our best? Drucker states that "An employee owes no "loyalty," he owes no "love" and no "attitudes"-he owes performance and nothing else...Management and manager development should concern themselves with changes in behavior likely to make a man more effective." (Drucker, 1973, 424-425)

Work Motivation has been a field of study for hundreds of years as organizational theories and social physiology has tried to answer the basic question what motivates us to make organizations more effective. Organizations can be defined in many ways but as Handy (1976) puts it "Organizations are to me, first and foremost fascinating collections of people. The challenge is to make them productive and useful communities."

But to understand work motivation we must first understand our definition of it. Motivation as a term can be misleading as Terez (2007) puts it: "As it turns out, to think strictly in terms of "motivation" is to oversimplify and potentially distort the topic. This one concept is on a continuum that includes satisfaction, engagement, and flow." The terms are used interchangeably, but are different in significant ways. (Terez, 2007)

What is apparent about the discussion on motivation lately is that the tools to motivate are the same at work as while not working. The motivational tools of today's organization lie in the things money cannot buy. The non-profits have been a long time research topic in the field of management as they offer much more insight into what is at the core of human motivation. The previously made case of Wikipedia has made it a global phenomenon and the

Open Source movement has rocked the foundation of the software industry, all without any plans of making money, but to give a gift to the global community.

4.2 Herzberg Motivation - Hygiene Theory

In the 1960 Fredrick Herzberg, an alumni of Pittsburgh University and John Flanagan, one of the important characters of World War II era study on effectiveness started his work on occupational motivation and used John Flanagan's critical incident technique to study workplace motivation. Herzberg's hypothesis was that Maslow's need hierarchy didn't explain fully the motivation of the individual in the working place. Herzberg's study took him to the workplace and came to publish the motivation-hygiene theory which viewed that motivation has two sides: that satisfaction and dissatisfaction in the workplace derive from different factors. The theory concluded that the factors that created satisfaction improved motivation, but did not in absence decrease it. The factors creating dissatisfaction lowered it, but did not improve motivation. (Latham 2007, 38-40; Kauhanen 2007, 108; Viitala 156)

The Herzberg Motivation-Hygiene Theory factors

Leading to satisfaction	Leading to dissatisfaction
<ul style="list-style-type: none"> • Achievement • Recognition • Work itself • Responsibility • Advancement • Growth 	<ul style="list-style-type: none"> • Company policy • Supervision • Relationship with boss • Work conditions • Salary • Relationship with peers • Security

(Kauhanen 2007, 108)

The theory has also received much criticism. The theory has been criticized for being a methodological artifact, namely because of the use of his mentor John Flanagan's critical incident technique. A method that Flanagan himself saw to be inappropriate because the techniques could make people attribute satisfactional incidents to internal and dissatisfying incidents to external factors or such that would be outside of their control. Even though criticized the theory has gathered also appreciation from its critics such as Vroom (1964) "Herzberg and his associates deserve credit for directing attention toward the psychological effects of job content, a problem of great importance in a world of rapidly changing technology." (Vroom 1964, 129. Latham 2007. 37-40)

4.3 McGregor's X and Y Theory

Douglas McGregor, a Ph.D. from Harvard University was a man destined to bring social science in to improving effectiveness in the workplace and his theories included the X and Y theory. McGregor wanted to a clear division between the Tayloristic views on the worker. The first of the two, the X theory assumed that without active intervention from the management, people are passive and even resistant to organizational needs. A view that saw the average man by nature as being indolent, unambitious, self centered and not very bright.

McGregor's argument was that this was not our human nature, but an outcome of management philosophy and practice. Challenging Maslow's Need Hierarchy theory and seeing it as inadequate approach to motivation. McGregor viewed that that depriving people of these their satisfaction at higher levels of needs would (McGregor, 1957) "...Make insistent demands for more money under these conditions. It becomes more important than ever to buy material goods and services which can provide limited satisfaction to thwarted needs" (Latham, 2007, 32-33; McGregor, 1957, 28)

Theory Y on the other hand described its essence:

"The Motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behavior towards organizational goals are all present in people. Management does not put them there. A responsibility of management is to make possible for people to recognize and develop these human characteristics for themselves." (McGregor, 1960, 6)

McGregor's X and Y Theory

Theory X The traditional view of direction and control	Theory Y The integration of individual and organizational goals
<ul style="list-style-type: none"> • The average human being has an inherent dislike of work and will avoid doing it if possible. • Most people must be coerced, controlled, directed, and threatened with punishment to get them to make adequate effort towards the achievement of organizational objectives. • The average human being prefers to be directed, wishes to avoid 	<ul style="list-style-type: none"> • The expenditure of physical and mental effort in work is as natural as play or rest. • External control and threats of punishment are not the only means for bringing about effort towards organizational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed. • Commitment to objectives is a func-

responsibility, has relatively little ambition, and wants security above all.	tion of the rewards associated with their achievement.
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(McGregor, 1960)

4.4 Pink's Motivation 3.0

Daniel Pink's work in the field is more of a foundational study of motivational theory and different social science tests done in the past 40 years, but his way of crystallizing the science and theoretical work in to three main categories is a significant feat in itself. By analyzing the social scientist work he has distilled the future of motivation, which he call motivation 3.0 in to three main categories: Autonomy, Mastery and Purpose. Pink's work reviews the evidence supporting the fact that a carrot and stick -motivation does not work for heuristic tasks and also the instances where it is useful. He derives in his conclusion from a wide range of sources such as London School of Economics study on incentive plans to the work of Deci and Csikszentmihalyi's Flow theory. (Pink, 2009)

Pink extensively tackles the problem of then if-rewards, a process we today see very often in all areas of life home, work and motivating ourselves. What we don't realize is that we by doing this shift focus away from the enjoyment of work, mastery of our field or feeling of purpose in to gaining the reward. The work does support the use of rewards for mechanical and simple processes as these are hard to find intrinsic motivation, but when a task includes even a slight need of cognitive skills and the then if reward has been show to decrease results, instead of improving them. (Pink, 2009)

Pink's Motivation 3.0

Autonomy	Mastery	Purpose
<ul style="list-style-type: none"> • What they do • When they do it • Who they do it with • How they do it 	<ul style="list-style-type: none"> • Flow • Mindset • Pain (Demand of effort) • an asymptote (never fully realized) 	<ul style="list-style-type: none"> • goal that use profit to reach purpose • policies that allows to pursue purpose on own terms • emphasize of more than self-interest

(Pink, 2009)

4.5 Foundational study of motivational theory

The theories about motivation are not new or in any way a simple concept to grasp as motivation is researched from so many disciplines, thus stating that this analysis is in anyway perfect or that at any point it could be would be an audacious claim. I have also predominantly researched motivational theories and studies that concentrate on the attributes needed for internal motivation and motivational leadership that improve empowerment and engagement of the worker. At the same time I've also looked at the research providing information about the effects of then if -rewards on long term goals of companies. This has been a conscious choice to follow the certain group of thought leaders and a clear stream of research and theoretical frameworks to provide an adequate amount of information to make a foundational study on the topic. The main element from the body of work researched does give support in the direction of motivation being more an intrinsically driven process that reacts to external events and stimuli.

To be able to support the results I also looked at the research done on eccentric rewards to motivation to support the importance of intrinsic motivation. According to some research the use of monetary incentives could indeed result in lowered performance and cause people to cheat, use shortcuts and unethical behavior to drive short term goals.

For example a Federal Reserve Bank of Boston research concluded in 2005 that in eight of the nine tasks they examined across the three experiments, higher incentives led to worse performance. (Ariely, Gneezy & others, 2005). The research was supported by London School of economics research in to companies using incentive systems to improve results, the conclusion was that financial incentives can result in a negative impact on overall performance (Ir-lenbusch, 2009). In general the effect can be called the Sawyer effect: "that work consists of whatever a body is obligated to do, and that play consists of whatever a body is not obligated to do." (Pink, 2009, 36). Simply put it is the effect that I have explained to people with a example of the taxi driver; a taxi driver in Finland usually drives a car worth around 50000 euro daily and considers it work, at the same a number of young business professionals are ready to pay the 50000 euro to drive the same car daily. While the taxi driver obligated to drive the car, the young business professional is not. This does not mean that monetary incentives are to be used carefully and in the right ways. (Ordonez & Others; Pink, 2009) What must be must be taken in to consideration is that the effect of monetary incentives have a quantitative, but not a qualitative effect on personal results (Jenkins & others, 1998) and that they work better in simple tasks that are clearly defined. (Stajkovic & Luthans, 2001; Pink, 2009, p 49-59)

Autonomy in the workplace has a key role in improving the hygiene factors described by Herzberg's theory and there is research to support its value to the worker. "According to a cluster of recent behavioral science studies, autonomous motivation promotes greater conceptual understanding, better grades, enhanced persistence at school and in sporting activities, higher productivity, less burnout and greater levels of physiological wellbeing." (Pink, 2009, 91). The relevance to business can also be monetized, as a Cornell University study on 320 small companies half of which granted workers autonomy and half that used a top-down management model. The companies that provided autonomy for their workers grew four times. Another piece of evidence comes from Cali Ressler and Jody Thompson's Result Only Work Environment experiment at Best Buy which is a management model based on the workers complete autonomy over when and where he or she decides to work. In the experiment that was later became Best Buy company policy productivity increased 35% and voluntary turnover was 320 basis points lower than in teams that had not made the change. The choice to try this approach which contradicts popular management thinking came for Best Buy's CEO Brad Anderson, who stated that it was more important for "people to contribute rather than just show up and grind out their days" (Pink, 2009, 91-100, Ressler & Thompson, 2008. Erickson, 2008)

The opportunity of attaining mastery or the pursuit of it in the workplace has also a number of theory and research to support its importance to improve work motivation. As a predictor of productivity it was found to be the best. In a study of 11000 industrial scientist and researchers in the United States stated that intellectual challenge - the drive to mastery was the best metric. (Sauermaun & Cohen, 2008; Pink, 2009). Mastery is also one of the main motivators of video games, the constant pursuit of the next level; for example the Finnish phenomenal success of the iPhone game Angry Bird uses this game mechanic to drive engagement. For managers it means that people need task that are both rewarding and reachable as a source of much frustration in the workplace is due to "frequent mismatch between what people must do and what people can do" (Pink, 2009, 110) From a theory point of view it is the theory of Flow by Mihali Csikszentmihalyi that best describes the actual moment in which people feel immersed in to what they are doing. Csikszentmihalyi researched what he called the autotelic experience, derived from the greek words auto which means self and telos which means goal or purpose. In an autotelic experience the goal itself self-fulfilling; the activity is its own reward. (Pink, 2009, 113).

Why it is so important is that it creates engagement, which in today's workplace isn't always present. According to Gallup's research in the United States over half of employees are disengaged and 20% are actively disengaged. This puts the price tag of disengagement in the United States to about 300 billion US dollars in loss of productivity, which is more the GDP of Finland. This doesn't make United States the worst of the countries in work disengagement as

McKinsey & Co says that only 2 to 3 percent of workforce in highly engaged at work in some countries. (Pink, 2009, CIA Factbook, 2010)

Purpose is another intangible, but important factor in motivating and the key element to long term motivation. As Pink (2009) argues autonomous people working toward mastery perform at a high level, but the ones that do it for a larger cause, a greater objective perform even better. Hamel (2009) says that "as an emotional catalyst, wealth maximization lacks the power to fully mobilize the human energies." It is not to say that making profit is out of the window, but to introduce also the element of purpose to drive long term engagement. We also know that profit is not the most important form of compensation to the boomers or the Y generation as both choose nonmonetary values such as a "great team" to "the ability to give back to society through work." We must look at making the mix of rewards such that it is balanced with the nonmonetary and monetary rewards to create balance. Even the MBA students at Harvard Business School have made a "The MBA Oath", just like the doctors Hippocratic Oath after the 2009 financial crisis as they saw the fact that if 56 percent of MBA students cheated, it would also make its way in to the workplace. It is the need ethical standards that are needed as Max Bazerman of a professor of Harvard Business School has explained:

"Say you take people who are motivated to behave nicely, then you give them a fairly week set of ethical standards to meet. Now, instead of asking them to "do it because it's the right thing to do" essentially give them an alternative set of standards - do this so you can check all the boxes." (Pink, 2009, 139-140)

There is plenty of evidence that the relationship with happiness and money is weak and on the other hand the research into purpose driven activity in the workplace has given us a lot to think about in terms of our own reasons for engaging in to work and enjoying it. It is safe to say that introducing purpose in to the work motivation tool box could provide us with more of what we really want for both organizations and individuals. (Pink, 2009)

The key element being in the theories researched is that the work itself is the most motivational thing. Organizational will do best when it supports autonomy, mastery and purpose for greater engagement and creates an environment that is motivationally hygienic to tackle issues of dissatisfaction described by Herzberg's Hygiene theory such as company policies and management. McGregor's X and Y theory also supports the notion of the internally motivated individual. Organizations in fact are responsible for creating a possibility for workers to grow to their full capacity. This is achieved via the described categorization of Pink's Motivation 3.0 autonomy, mastery and purpose. It is these inherit similarities that I have used to cate-

gorize the key elements to motivation in the knowledge worker's workplace in the 21st century.

Categorization of Key elements of the theories

Autonomy (P)	Mastery (P)	Purpose (P)	Hygiene (H)
Responsibility (H,P, Mc)	Achievement (H, Mc)	Involvement (P,Mc)	Company policy (H)
What they do (P)	Recognition (H)	Opportunity to make a difference (P, Mc)	Supervision (H)
When they do it (P)	Advancement (H)	Goals (P, Mc)	Relationship with boss (H)
Who they do it with (P)	Growth (H)	Mission (P, Mc)	Work conditions (H)
How they do it (P)	Flow (P)		Salary (H)
	Mindset (P, Mc)		Relationship with peers (H)
	Pain (Demand of effort) (P,Mc)		Security (H)
	an asymptote (never fully realized) (P)		

H = Herzberg Hygiene Theory, Mc= McGregor X & Y Theory, P= Pink Motivation 3.0

5 Balanced Scorecard

The Balanced Scorecard is a strategic management tool introduced to manager's worldwide by Kaplan and Norton (1992) in the Harvard Business review. Since then the adoption of the tool for measuring the results of an organization has been worldwide. In Finland the Balanced Scorecard is encountered almost everywhere, as Näsi & Aunola (2002) point out.

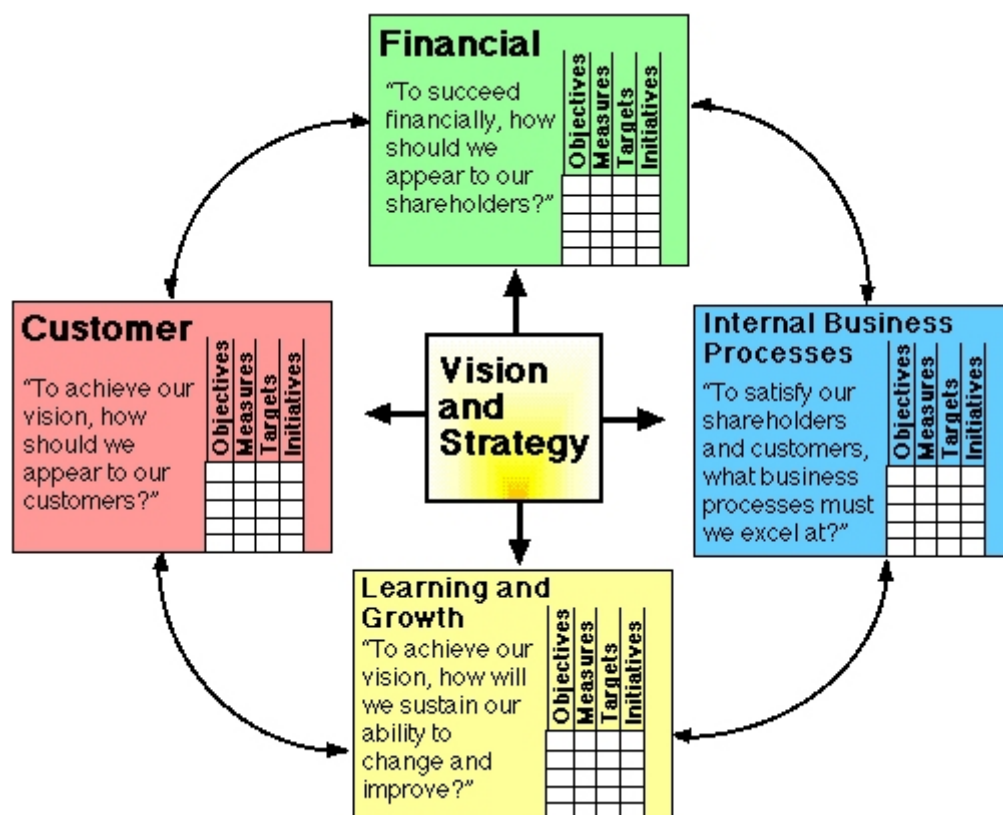
The Balanced Scorecard expands the set of business unit objectives beyond just the financial measures and enables the measurement of how units create value for their current and future customers. It also gives information on how they must enhance internal capabilities and the investment in to people, systems and procedures for improving future performance. The value comes from creating this balance between the present via the financial perspective, it also reveals the value drivers for the future for long-term financial and competitive performance. (Kaplan & Norton, 1996, 8)

The tool measures 20 key performance indicators from four perspectives and key questions of business strategy implementation:

- Financial - "To succeed financially, how should we appear to our stockholders?"
- Customer - "To achieve our vision, how should we appear to our customers?"

- Internal business processes - "To satisfy our shareholders and customers, what business process must we excel in?"
- Learning and growth - "To achieve our vision, how will we sustain our ability to change and improve"

In the center of all of the four areas is the mission and vision of the organization. This is where the key performance indicators are derived from to enhance implementation of the organizations strategy. The balance with model comes only not from the four perspectives, but that they have different timelines in mind. The financial perspective deals with the current state of business, the customer and internal-business-process look to achieve the future financial goals and objectives, while the learning and growth perspective deals with the improvement and effectiveness of customer and internal-business-process perspectives achievement by closing the gap in between the perspectives. This all makes Balanced score-card not only a four perspectives separate from each other, but a full circle approach to making organizations work and achieve financial goals today, tomorrow and years in to the future. It is a tool for continues improvement and approach like the PDCA-cycle or other quality assurance models. (Kaplan & Norton, 1992, Kaplan&Norton 1996)



(Kaplan & Norton, 1992)

5.1 The four perspectives of the Balanced Scorecard

The balanced scorecard's first perspective is the financial aspect of business. It measures the effectiveness of actions taken in the implementation and execution of the strategy to the bottom-line improvement. Many different measures are used to look mostly at profitability of the business, for example, return-on-capital-employed or economic value-added. Alternative simpler measures can sales growth or generation of cash flow. They are used to summarize the readily measurable economic consequences and to use them as one tools to assure the current financial needs and goals of the company. (Kaplan and Norton, 1996, 25-26)

While the financial perspective is important is current status of the company the main flaw as individual information that it is based on the past and gives no information about current and future efforts to improve and reach objectives. It doesn't give any information about the actions taken to improve the company's results, whether the customer is happy about the service or product and if the internal process of the organization is effective. This is why you need the balance in the scorecard to have perspectives into more than one dimension not only in the organization, but also in time.

The internal processes measures focus on the internal process and especially the ones that will have the most impact on customer satisfaction and achievement of organizations financial objectives. The aim is to identify the critical internal processes in which the organization must excel. The processes enable organizations to:

- Deliver the value propositions that will attract and retain customers in targeted market segments, and
- Satisfy shareholders expectations of excellent financial returns.

As Kaplan and Norton say (1996) the internal-business-process perspective reveals two fundamental differences between traditional and the balanced scorecard approach to performance measurement. Traditional approaches attempt to monitor and improve existing business processes. This is where the evaluation processes to meet the needs of the financial and customer aspects can many times end with the creation of new business processes to assure meeting the real demands. The second is to incorporate an innovation process in the internal-business-process perspective to not only assure meeting short term goals, but also creating a process to assure focus in the long term goals through processes. (Kaplan and Norton, 1996, 27-28)

The learning and growth perspective identifies the infrastructure that the organization needs to create long-term growth and improvement. The customer and internal-business-process perspectives identify factors critical to achieve current and future success, but businesses are unlikely to be able to meet long term targets for customer and internal-business-process with today's technology and capabilities. With global competition, the requirement of companies continues improvement to deliver value to the customer and shareholder is a reality.

Organizational learning comes from three sources: people, systems and organizational procedures. While identifying the other three perspectives, the gap between the existing capabilities of people, systems and procedures and what is needed for creating great results are revealed. To close these gaps the learning and growth perspectives is to help these gaps to be filled to achieve future success via training, enhancing systems and aligning procedures and routines. (Kaplan and Norton, 1996, 28-29)

In the balanced scorecard's customer perspective the aim is to identify the customer and market segments in which business units will compete and the measure of the business unit's performance in these targeted segments. Usually the measures used are core and generic ones such as customer satisfaction, customer retention, new customer acquisition, customer profitability and market share in targeted segments. But the customer perspective should also include specific measures of the value proposition of the company's. These could for example for an online store delivery speed or reclamation process satisfaction to drive the company's own value propositions fulfillment. This can also be the future orientated measures, for example, introduction of new services to drive future success and anticipation of customer needs. The customer perspective enables business unit managers to articulate the customer and market-based strategy that will deliver superior future financial returns. (Kaplan and Norton, 1996, 26)

5.2 Motivation scorecard

The Motivation scorecard is an application based on Norton and Kaplan's Balanced Scorecard in to use for employee and team motivation. The scorecard's main purpose is to attain a solid framework for a managers and executives to understand and execute actions toward the improvement and sustainment of employee motivation in the knowledge society and to reach organizational goals and objectives.

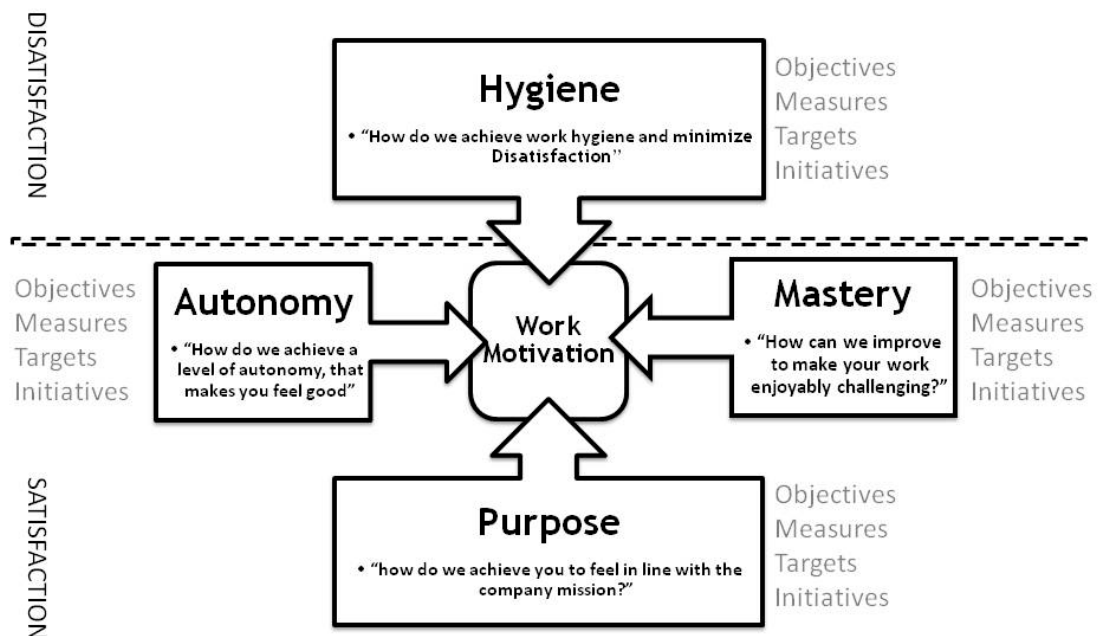
The four perspectives of the Motivation Scorecard are based on the foundational study into motivational theory and utilize Pink's Motivation 3.0 and Herzberg's Hygiene Theory combining them into the four categories for a balanced approach to dealing with motivation.

- Autonomy – "How do we achieve a level of autonomy, that makes you feel good"

- Mastery - "How can we improve to make your work enjoyably challenging?"
- Purpose - "how do we achieve you to feel in line with the company mission?"
- Hygiene - "How do we achieve work hygiene and minimize dissatisfaction"

All of these then affect and contribute to the work motivation of the individuals. One of the key things for the successful adoption of the approach is the communications of the desired outcome and that the few rules that are applied to the four fields need to in line with a general set of rules to avoid the dissatisfaction that can derive from unclear company policy or management.

The Motivation Scorecard



Picture 1: Motivation Scorecard

The focus on the intrinsic motivation and work hygiene creates a model that enables the use of the tool in any organization from startup to corporations, as it focuses on the rewards of the work itself and not monetary compensation except in the case of hygiene factors. This makes the use of this tool a possibility for non-profit organizations, universities and school students being run without monetary compensation. Non-profits will also be the ones that will have the easiest time to implement the tool as their volunteers are already working for the enjoyment, fulfillment and values of the organizations. They are also the most autonomy's as

the volunteers are not managed to perform tasks, but to implement the organizational mission in their own autonomy's way.

It also makes a clear statement about the value of intrinsic motivation with the division derived from the Pink's Motivation 3.0 of Autonomy, Mastery and Purpose. It focuses the manager's attention to improve the circumstances of the worker to achieve the intrinsic motivational goals making it not only a tool to follow and develop work motivation, but also the way we manage the workers. This makes using the motivational balanced scorecard a transitional decision; to let workers make decision about their way of work. Granting the worker autonomy will not be easy for many organizations and managers - the need to control is strong. This is why the implementation of the Motivation Balanced Scorecard needs to be conscious decision about the management culture of the company. It also needs the full support of the workers as in the field of autonomy many might feel that it can be used by co-workers as an excuse to take time off and not do work as the Results Only Work Environment method (Ressler and Thomson, 2008) has shown. It is the job of the manager to soften and manage the change and explain the effects and the organizational objectives as they become much more important as the management of how, when of working are no longer the manager's decision. The need for leadership based on goals and objectives will be stronger, while company policy issues should be minimal.

5.3 The four perspective of the motivation scorecard

The perspective of hygiene relates to the dissatisfaction values of the Herzberg's hygiene theory and aims to assure that the values that may affect satisfaction negatively are addressed. This does not mean that every worker in the company may achieve the optimal level of pay the need for their manager to become perfect, but to understand where the range is that allows the workers to achieve maximal engagement due to lack of dissatisfactory values is actively discussed. This leads to changes in future development to improve the status of the individual worker. Measures for the hygiene perspective can be derived from the seven factors that according to Herzberg's research had the most affect in dissatisfaction in the workplace:

- Company policy
- Supervision
- Relationship with boss
- Work conditions
- Salary
- Relationship with peers
- Security

Some of the same factors are a part of the autonomy perspective and thus there is overlap in the process but just like the original balanced scorecard's internal-business-process perspective affects the financial perspective so does the autonomy and hygiene perspectives in the motivational balanced scorecard - it is the four corners of the same central objective - good workplace motivation as an individual within an organization.

Autonomy perspective looks at the environment that the worker does his daily work and what can be done to turn the focus on meeting objective instead of company policies. Autonomy can be increased slowly to make it possible to transition to a more goal based management, but there is also compelling evidence such as Result-Only-Work-Environment's success at Best Buy that there is no real reason from a business perspective to limit the amount of autonomy as long as the focus then is shifted to goal and objectives of the individuals. This is also sometimes hard for organizations as it takes away the old tool of the manager for efficiency with time sheet or having everyone in the office by 9:30, but what it does add is the focus of both the managers and workers on to the real objectives of the organizations instead of company policies. When autonomy is to the worker is introduced as to when, where, with who and how they work you also deal with many of the issues of the hygiene perspective such as supervision, company policy and work conditions.

The mastery perspective concentrates on creating an environment where there is opportunity at the individual's own level to enjoy challenges by adjusting them to meet their current skills, abilities and interest. The main objective is to provide the possibility to achieve a flow type engagement with the work itself, making the objectives so that they test the individual's skills, but are not too far to reach.

The mastery objectives are supported by the purpose perspective as purpose can give an internal motivator, a factor to the individual that can create persistency and engagement with the objectives. These can be derived from the company's mission and vision and if they are compelling to the individual he can see himself as a part of something larger. It's what B.Reich, the former U.S. labor secretary describes the "they and we" responses. The organizations that create purpose have workers talking about what "we" as an organization try to achieve, while the ones with little purpose or engagement talk about the organization as what "they" try to achieve. (Pink, 2009, 139)

6 Conclusions

With this topic for my thesis I took on the challenge of improving my management and leadership skills. Having being able to test them out in various stages of my career and in different

settings and roles, I already had a point of view of both management and leadership. The thing was that it was not based on theory or research, but on intuition and empirical first hand experiences and this is what I wanted to change. To assure that I wasn't causing more harm than good in the long run. One thing that did bother me was the fact that I had worked in several companies and organizations and noticed that my level of engagement or enjoyment of the work was in no way related to the salary I reserved - but to the task at hand, the clear definition of objectives and the push to find my own way to them. I found that what really did get me working hard and getting my best results was finding the task interesting, challenging and something that I found important. Somehow this didn't exactly match with what later on was discussed in class about management or leadership. Management was made an engineering art and leadership a scene from *Tuntematon Sotilas* - the forward march of the bold few, while others should drag themselves across the swamp because someone led the way. The first seemed too much like accounting to me and the other like the film itself: black and white in desperate need of some color for anyone today to be interested.

The aim was to use research and organizational theory to take my own assumptions about motivation and prove them wrong or right. Neither ended happening, but what I have achieved is a new view and philosophy on leading and managing people - organizations. The discussions, books and research read and digested have shaped and molded a form of leadership that I use the term motivational leadership for. What needed to be done was to make it accessible, not just a philosophy, not just an angle on things, but management. It needed a tool to turn leadership values and philosophy into everyday management.

Understanding the differences of management and leadership are sometimes hard for even the seasoned veteran of the business ranks. Here also where mix ups occur in Finland because of the language; it makes the distinction of management from leadership a harder one, as the words *johtaminen* for management and *johtajuus* for leadership are easy to mix up. It was this distinction between the two that has been one of the most important learning experiences of the work. To realizing the limitations of management and leadership - neither can live without the other. There are limits to what you can achieve by managing organizations, but you must lead people to get real results. Without management great leadership is like painkillers, they might numb you from the problem for a while, but if the management is not healthy, the pills won't fix it. If you have leadership, but have a flawed management process you might be sending mixed messages and having to clear them up with leadership skills. So there needs to be a way to work on both; management rehab. And that's where you take the best information available on motivational leadership and mold it into management terms; the motivation balanced scorecard.

The motivation balanced scorecard has taken its shape within a familiar framework, but the leadership decisions and an organizational change it creates to many of today's organizations is maybe missed. The road to adopting a new way of thinking about motivation as the cornerstone of the organizations success is something that will take time to be fully understood even for those who are in support of it. Adopting the freedom, flexibility and goal oriented way of working is a challenge for our Lutheran upbringing to start with. The lessons in productivity and management of the past are so engraved in today's society that it needs time to adjust and especially when organizations - collections of people are involved. Old habits die hard and the notion of people coming to the office when they want to or doing work from the cottage doesn't sound like work to many. It does though give autonomy to the worker in deciding when and where he works best on given tasks.

The work has given me not only insight in to work motivation or a set theoretical concept to empirically test in my future management positions, but a set of attributes in theoretical concepts with proven empirical results and a understanding of their interconnectedness and limitations. Discussion about the topic has also opened an interesting question of is there a difference between people as to the weight of the perspectives. While talking to more competitive person I have found the that they are more interested in the achievement both monetary and nonmonetary aspects, while more purpose driven people are willing to share their ideas about how the nonmonetary drives them so much more than the monetary. This is why I concluded that there could be two avenues for further research: the first in to the difference between personalities and the weights of the four perspectives and the second it would be interesting to look at the workplace in the Best Places to Work -competition and study the organizational methods of the top companies in Finland as to whether they use and execute the principals of the motivation scorecard. Also the in depth analysis of the international examples of Semco, Best Buy's Result Only Work Environment could provide us with more information on the application of the model and further evidence to its power as a organizational tool for the knowledge society's managers to achieve organizational objectives in the 21st century. (Ressler and Thompson, 2008, Semler, 2004)

The place of the Motivation scorecard to me is in the goal setting of individuals in their development discussions and as a framework for managers and human resources to tackle especially the nonmonetary incentives and introduce an alternative work environment, flow centric thinking or purpose in to the workplace. This is where a constructed approach through a management tool, rather than philosophy can be the most beneficial.

I have now learned that these notions that we base our management are not always true, that there is real need to create engagement rather than compliancy. It is this that can give the organizations the edge in the competition in the knowledge society; engaging its workers to

achieve the best possible results to drive organizational goals. It's this simple, but crucial lesson that I have us my second big take away from the process. Leadership drives organizational goals; a goal oriented interaction between people. These people are the organization and thus the process needs to be managed; to interact on a regular basis to insure the common ultimate goal. Success in reaching the goal and objectives are based on results and real work; there is no way round it, so why should we as organizations care about anything else than motivating our organization to focus only on them. There is a need for this kind of approach as portrayed by the comments of Taneli Tikka, Sakari Tamminen and Jorma Ollila from the EVA symposium 2010 (Jouslehto, Kauppalehti, 1.12.2010).

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